

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 1997)

Docket No. R97-1

RECEIVED

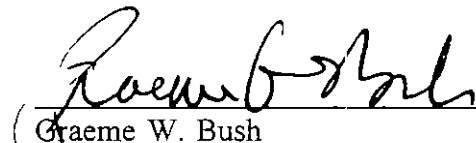
AUG 26 4 20 PM '97

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SECOND INTERROGATORIES OF
MAIL ADVERTISING SERVICE ASSOCIATION
INTERNATIONAL TO USPS WITNESS DANIEL

Pursuant to Sections 25 and 26 of the Commission's Rules of Practice, Mail Advertising Service Association International hereby submits the attached interrogatories to USPS witness Daniel: MASA/USPS-T29, Nos. 3-6. If the designated witness is unable to respond to any interrogatory, please supply a response by another qualified witness.

Respectfully submitted,

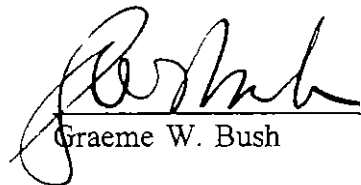


Graeme W. Bush
CAPLIN & DRYSDALE, CHARTERED
One Thomas Circle, N.W.
Suite 1100
Washington, DC 20005
(202) 862-5060

Counsel for Mail Advertising Service
Association International

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Commission's Rules of Practice.



Graeme W. Bush

Dated: August 26, 1997

MASA/USPS-T29-3

a. Do you agree that the decrease in attributable mail processing and delivery unit costs for the Regular Subclass of Standard (A) as reflected in MASA/USPS-T29-1 is caused, at least in part, by the use of the new costing methodology in this proceeding? If you do not agree, please explain.

b. What other factors, if any, have contributed to the decrease in attributable mail processing and delivery unit costs for the Regular Subclass of Standard (A) reflected in MASA/USPS-T29-1?

c. Explain in narrative form how the factors described in your answers to the foregoing questions have affected the decrease in attributable mail processing costs, including giving your best estimate of the contribution of each factor to the decrease.

d. Do the factors you have identified in your answer to subsections a and b of this question have impacts on particular rate categories in Standard A Regular that differ from the impact described generally in response to subsection c. If so, describe the differences.

MASA/USPS-T29-4. Referring to your answer to ANM/USPS-T29-10:

a. Identify the source for mail processing costs for Standard A Regular Rate Basic of 13 cents in MC95-1, and 9 cents in this docket.

b. Do you agree that the decline in model costs described in your answer is attributable largely to the Basic Presort mailstream becoming "more automation compatible and therefore somewhat less costly"? If not, explain what the other causes of the decline in model costs are.

c. Do you agree that the smaller CRA adjustment described in your answer does not reflect actual cost savings attributable to the Basic Presort mail stream becoming less costly to process? Explain any no answer, and specifically describe any cost savings that are reflected in the lower CRA adjustment.

MASA/USPS-T29-5. Referring to your response to MASA/USPS-T29-1a, explain how ECR costs in the USPS proposal in this docket were "adjusted for dropship," including providing any calculations that were made to make such an adjustment.

MASA/USPS-T29-6. Referring to your response to MASA/USPS-T29-1a, explain how "ECR walk sequenced-endorsed and nonwalk sequenced-endorsed mail have been deaveraged in this docket," including providing any calculation or formula used to determine the deaveraging.